# IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA Richmond Division

In re:	
LECLAIRRYAN PLLC,	Chapter 7
Debtor.	Case no. 19-34574 (KRH)
Lynn L. Tavenner, as Chapter 7 Trustee,	
Plaintiff,	Adv. Pros. 20-03142 (KRH) and
v.	21-03095 (KRH)
ULX Partners, LLC, UnitedLex Corporation, and ULX Managers, LLC	
Defendants.	
Lynn L. Tavenner, as Chapter 7 Trustee,	
Plaintiff, v.	
CVC Capital Partners, Daniel Reed, Nicholas Hinton, Josh Rosenfeld, P. Douglas Benson	
Defendants.	

# THE UNITED STATES TRUSTEE'S NOTICE OF APPEAL

Kathryn R. Montgomery, AUST (Va. Bar No. 42380) Shannon Pecoraro (Va. Bar No. 46864) Jason B. Shorter (Va. Bar No. 80929) Department of Justice Office of the United States Trustee 701 East Broad Street, Suite 4304 Richmond, VA 23219 Telephone (804) 771-2310 Facsimile (804) 771-2330

### Part 1: Identify the appellant

1. Name of appellant:

John P. Fitzgerald, III, Acting United States Trustee for Region Four

2. Position of appellant in the bankruptcy case that is the subject of this appeal:

United States Trustee (See 11 U.S.C. § 307; 28 U.S.C. §§ 581(A)(4) and 586)

### Part 2: Identify the subject of this appeal

- 1. Describe the judgments, orders or decrees appealed from:
  - Order Granting Motion and Memorandum of Law for Entry of an Order (I) Approving (A) Judicially Mediated Settlement and (B) Compensation to Counsel Including an Improvident Payment Under Section 328(a); and (II) Granting Related Relief (ECF No. 1453), attached hereto as Exhibit 1.
- 2. State the date on which the judgments, orders, or decrees were entered:

June 28, 2022.

#### Part 3: Identify the other parties to the appeal

List the names of all parties to the judgments, orders, or decrees appealed from and the names, addresses and telephone numbers of their attorneys:

### **APPELLEE**:

Lynn Tavenner, Chapter 7 Trustee for LeClairRyan PLLC

Paula S. Beran Tavenner & Beran, PLC 20 North Eighth Street, Second Floor Richmond, VA 23219 804-783-8300 pberan@tb-lawfirm.com

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### **OTHER INTERESTED PARTIES:**

#### LeClairRyan PLLC, Debtor

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Jason William Harbour
Henry Pollard Long, III
Jennifer Ellen Wuebker
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Richmond, VA 23219
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## Foley & Lardner, LLP, Objector

Susan Poll Klaessy Foley & Lardner LLP 3000 K Street, NW, Suite 600 Washington, DC 20007-5109 (312) 832-4500 spollklaessy@foley.com

# ULX Partners, LLC, UnitedLex Corporation, and ULX Manager, LLC, Defendants in Adversary Proceeding 20-03142 and Parties to Settlement Agreement

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CVC Capital Partners, Defendant in Adversary Proceeding 21-03095 and Party to Settlement Agreement

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# Nicholas Hinton and Daniel Reed, Defendants in Adversary Proceeding 21-03095 Parties to Settlement Agreement

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# Josh Rosenfeld and P. Douglas Benson, Defendants in Adversary Proceeding 21-03095 Parties to Settlement Agreement

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#### CNA, Insurer and Party to Settlement Agreement

Margaret T. Karchmer Wiley Rein, LLP 2050 M Street NW Washington, DC 20036 202-719-4198 mkarchmer@wiley.law

# Travelers Casualty and Surety Company of America, Insurer and Party to Settlement Agreement

Registered Agent: Corporation Service Company 100 Shockoe Slip, Floor 2 Richmond, VA 23219-4100

# Gary LeClair, Former Defendant in Adversary Proceeding 20-03142

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Respectfully Submitted,

Dated: July 11, 2022 John P. Fitzgerald, III
Acting United States Trustee, Region Four

By: /s/ Jason B. Shorter

Kathryn R. Montgomery (Va. Bar No. 42380)
Shannon Pecoraro (Va. Bar No. 46864)
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**CERTIFICATE OF SERVICE** 

I HEREBY CERTIFY that on this 11th day of July, 2022, a true and correct copy of the

foregoing document was served via first class mail and/or electronic mail upon: (i) all parties and

counsel requesting service via the Court's ECF system, (ii) the Appellee by counsel, (iii) all other

interested parties by counsel or registered agent as set forth above, (iv) the 20 largest unsecured

creditors as listed on the Debtor's schedules, (v) the Service List as defined by the governing Case

Management Order, (vi) Foley & Lardner, and (vii) all Persons identified in paragraph 4 of the

FAO Procedures Order (ECF 533), as modified by the Order Modifying Settlement Procedures for

FAO Actions (ECF 929).

By: /s/ Jason B. Shorter

Jason B. Shorter, Esq.

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UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA Richmond Division

In re: LECLAIRRYAN PLLC,

Case No. 19-34574-KRH

Chapter 7

Debtor.

**ORDER** 

This matter comes before the United States Bankruptcy Court for the Eastern District of Virginia (this "Court") upon the *Motion and Memorandum of Law for Entry of an Order (I) Approving (A) Judicially Mediated Settlement and (B) Compensation to Counsel Including an Improvident Payment Under Section 328(a); and (II) Granting Related Relief* [ECF No. 1328] (the "Motion"), filed by Lynn Tavenner, (the "Trustee") in her capacity as Chapter 7 trustee for the bankruptcy estate of LeClairRyan PLLC (the "Debtor"), in the above-captioned bankruptcy case. The Motion seeks this Court's approval of a judicially mediated global settlement (the "Settlement Agreement") under Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), a copy of which is attached to the Motion as Exhibit A [ECF No. 1396]. The Settlement Agreement includes, inter alia, an improvident payment of \$3.15 million (the "Improvident Payment") to the Trustee's special litigation counsel, Quinn Emanuel Urquhart & Sullivan LLP ("Quinn").

John P. Fitzgerald, III, Acting United States Trustee for Region Four, (the "U.S. Trustee") objected [ECF Nos. 1333, 1370] (collectively, the "U.S. Trustee's Objection") to the Motion. Foley & Lardner LLP ("Foley") filed a limited objection [ECF No. 1365] to the Motion. The Court conducted a hearing (the "Hearing") on June 8, 2022. At the conclusion of the Hearing, the Court took the Motion under advisement.

For the reasons stated in the Court's Memorandum Opinion issued contemporaneously herewith, the Court having found that (A) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (B) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (C) notice of the Motion and hearing thereon was sufficient under the circumstances; and (D) the Court having determined that the legal and factual basis set forth in the Motion and at the Hearing establish that the Settlement Agreement is fair and equitable and in the best interest of the Debtor's estate, its creditors, and all other parties in interest, and represents the sound business judgment of the Trustee, it is **ORDERED**, **ADJUDGED**, and **DECREED** that:

- 1. The U.S. Trustee's Objection is **OVERRULED**.
- 2. The Motion is **GRANTED** as set forth herein.
- 3. The Improvident Payment is **APPROVED**.
- 4. The Settlement Agreement is **APPROVED** in its entirety and in accordance with Bankruptcy Rule 9019.
- 5. The Trustee is authorized to take all action necessary to consummate and implement the Settlement Agreement, including but not limited to the execution and delivery of the Settlement Agreement.
- 6. Notwithstanding the foregoing or anything to the contrary contained herein, Quinn shall not be entitled to a contingency fee on the Improvident Payment. Instead, subject to the reservation of rights contained in paragraph 7 of this Order, Quinn will be entitled to a contingency fee of 35 percent of the net amount of total settlement amount less (A) certain costs and expenses and (B) the Improvident Payment.
- 7. Nothing herein shall modify paragraph 8 of the Order Authorizing the Retention and Employment of Quinn Emanuel Urquhart & Sullivan LLP as Special Counsel [ECF No. 937]

at 3-4]. All rights, claims, and defenses with the respect to the apportionment of fees as between

Quinn and Foley are hereby preserved pending further order of the Court.

8. Pursuant to the Order to Seal Omnibus Settlement Agreement and Related

Documents, Information, and Hearings [ECF No. 1382], the unredacted Memorandum Opinion

shall be sealed pending further order of the Court.

9. The Court shall retain exclusive jurisdiction to interpret and enforce the terms of

Entered on Docket: June 28, 2022

this Order.

Dated: _	June 28, 2022	/s/ Kevin R. Huennekens
		UNITED STATES BANKRUPTCY JUDGE